

will be taken on that bill until after the completion of the debate tomorrow?

Mr. MANSFIELD. That is correct.

It is hoped that following the consideration of that measure, the Senate will proceed to the consideration of Calendar No. 400, House bill 6027, to improve the benefits under the old-age, survivors, and disability insurance program; and that following that we shall be able to take up the water-pollution-control bill.

Mr. DIRKSEN. I have received a great many inquiries in regard to what is likely to be the program during the 4th of July period. I have not conferred about that with the majority leader, but I wonder whether he has reached some conclusions which he would like to disclose to the Senate.

Mr. MANSFIELD. I wish I had some definite conclusions, because in this case I know what is in the mind of every Senator.

However, I hope that if the Senate proceeds with a reasonable degree of efficiency, it may be able to go over from Thursday of next week to the following Monday. In that event, on that day there would be only a pro forma session, but not votes; and that then the Senate would go over from Monday, over the 4th of July, to Wednesday, July 5. That would give the Members 4 or 5 days. Tentatively, that is the best I can say at this time. But I am sure that even that is not too hard for Senators to swallow.

Mr. DIRKSEN. The majority leader has been indeed generous and most gracious in seeking to accommodate all Members of the Senate; and I proclaim my thanks to him for the gentle cooperation with which he has met all these requests from time to time. I think he deserves the plaudits and thanks of the Senate.

Mr. MANSFIELD. Mr. President, I am deeply appreciative of what the distinguished minority leader has just now said; but I call the attention of the Senate to the fact that this is a two-day operation, and that no one could be more cooperative, more understanding, or more tolerant than my colleague, the distinguished Senator whose seat is across the aisle from mine.

Mr. DIRKSEN. I thank my friend.

Cuba

RECOMMENDATION OF LEGISLATION TO PROHIBIT NEGOTIATIONS WITH CASTRO OTHER THAN THOSE LEADING TO RETURN OF AMERICAN CITIZENS NOW HELD PRISONERS

Mr. CASE of South Dakota. Mr. President, I have received a resolution

adopted by the American Legion Department of South Dakota, which held its convention on June 16. The resolution is relative to the so-called Committee for tractors for Freedom in exchange for certain prisoners. The resolution urges the Congress to enact such legislation as may be necessary to prohibit negotiations with Castro other than those which lead to the immediate return of all American citizens now held prisoner by Castro and those now held prisoner by any Communist government. I ask unanimous consent that the resolution, as adopted by the American Legion Department of South Dakota, be printed at this point in the Record.

There being no objection, the resolution was ordered to be printed in the Record, as follows:

Whereas the American Legion, Department of South Dakota, convened in convention the 16th day of June 1961, has learned of and is aware of the activities of the Committee for Tractors for Freedom in exchange for certain undesignated persons most of whom are not citizens of the United States of America; and

Whereas it appears to the American Legion, Department of South Dakota, that such action on the part of said Committee only tends to weaken the position of the United States in the world picture of international relations; and

Whereas it is obvious from the very recent negotiations that Castro is using Communist tactics of not abiding by his demands but upon our acceding to even a portion thereof, his demands become greater as time goes on, and it becomes obvious that he is not going to abide by any of his commitments whether it be in this phase or any other phase of international relations; and

Whereas it appears to us that compromising with Castro is degrading to the United States of America and is only another means of lowering our international prestige; Now, therefore,

We, of the American Legion, of the Department of South Dakota in convention convened in Watertown, S. Dak., this 16th day of June 1961, do urge the Congress of the United States to enact such legislation as necessary to prohibit negotiations with Castro other than those which lead to the immediate return of all American citizens who are now held prisoners by Castro together with those now being held as prisoners by any Communist government including that of Red China and that we use such means and force as is necessary to accomplish this purpose without in any way stooping to the insincere Communist bartering which is taking place in the world today; and be it further

Resolved, That a copy of this resolution be forthwith transmitted to the President of the United States, the Secretary of State, the Ambassador to the United Nations and to each of the members of the congressional delegation of the State of South Dakota.

EXTENSION OF EXISTING CORPORATE NORMAL AND EXCISE TAX RATES

The Senate resumed the consideration of the bill (H.R. 7446) to provide a 1-year extension of the existing corporate normal tax rate and of certain excise tax rates.

Mr. BUSH. Mr. President, let me ask whether the Senator from Montana has any idea of whether any amendments of an important nature will be offered to this measure.

Mr. MANSFIELD. I do not know. I suppose that if there are, word will go around and announcements will be made, and that if any are proposed, they will be printed in the Record, for consideration tomorrow.

But I do not know of any. I have not made any inquiries to that effect. Let me ask whether the chairman of the committee knows of any.

Mr. BYRD of Virginia. I hope there will not be any.

Mr. BUSH. I thank the Senator.

Mr. BYRD of Virginia. Mr. President, H.R. 7446, providing for a 1-year extension of the existing corporate normal tax rate and of certain excise-tax increases, most of which were adopted as a result of the Korean war, extends for 1 more year the 30 percent normal tax rate for corporations which otherwise would be reduced to 25 percent. The income tax on corporations consists of a normal tax, which applies to all taxable income, and a surtax which applies only to income exceeding \$25,000. The surtax rate is not affected by this bill. If the scheduled reduction were allowed to occur, the combined normal and surtax rate which the larger corporations pay would drop from 52 percent to 47 percent, and the tax rate for small corporations not subject to the surtax would drop from 30 percent to 25 percent.

The extension of the corporate tax rate for 1 year will yield \$2,030 million.

At the time of the Korean war, a number of excise-tax rates were temporarily increased, as well as the corporate rate. We have already extended these rates seven times, and this bill makes the eighth such extension. Six Korean excise-tax rates are involved in the bill, and two other excise-tax rates were placed in the temporary category in 1959. The Korean excise rates apply to distilled spirits, beer, wines, cigarettes, passenger cars, and automobile parts and accessories. The two taxes later included are general telephone and transportation of persons taxes. The Korean tax rate will be reduced if the bill is not enacted, and the tax on transportation

also will be reduced; but the general telephone tax will be repealed completely.

I ask unanimous consent to have printed at this point in the RECORD a

table showing the rates extended for both corporation and excise taxes.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Corporation and excise taxes scheduled to be reduced July 1, 1961

	Unit of tax	Present law rate	Rate to become effective July 1, 1961
Corporations.....	Normal tax net income.....	30 percent..	25 percent.
Excises:			
Liquor taxes:			
Distilled spirits.....	Per proof gallon.....	\$10.50.....	\$9.
Beer.....	Per barrel.....	\$9.....	\$8.
Wine:			
Still wine:			
Containing less than 14 percent alcohol.....	Per wine gallon.....	17 cents.....	15 cents.
Containing 14 to 21 percent alcohol.....	do.....	37 cents.....	30 cents.
Containing 21 to 24 percent alcohol.....	do.....	\$2.25.....	\$2.
Containing more than 24 percent alcohol.....	do.....	\$10.50.....	\$9.
Sparkling wines, liqueurs, etc.:			
Champagne or sparkling wine.....	do.....	\$3.40.....	\$3.
Liqueurs, cordials, etc.....	do.....	\$1.92.....	\$1.60.
Artificially carbonated wine.....	do.....	\$2.40.....	\$2.
Tobacco taxes: Cigarettes.....	Per 1,000.....	\$4.....	\$3.50.
Manufacturers excise taxes:			
Passenger cars.....	Manufacturers' sale price.....	10 percent.....	7 percent.
Auto parts and accessories.....	do.....	8 percent.....	5 percent.
Miscellaneous taxes:			
General telephone.....	Amount charged.....	10 percent.....	0.
Transportation of persons.....	Amount paid.....	do.....	5 percent.

Mr. BYRD of Virginia. Mr. President, the extension of these excise rates for 1 full year is expected to bring in \$1,600 million. This, with the extension of the corporate rates, will bring in a total amount of \$3,659 million.

I ask unanimous consent to have printed at this point in the RECORD a table showing the revenue increases resulting from this bill.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Estimated revenue effect of extending the corporate normal tax rate, and certain excise tax rates, fiscal 1962 and full year—

[Millions of dollars]

	Fiscal 1962	Full year
Increase in collections:		
Corporate normal tax.....	925	2,030
Excise taxes:		
Alcohol:		
Distilled spirits.....	155	158
Beer.....	87	89
Wine.....	11	11
Tobacco: Cigarettes (small).....	244	244
Manufacturers:		
Passenger automobiles.....	352	402
Parts and accessories.....	65	75

Estimated revenue effect of extending the corporate normal tax rate, and certain excise tax rates, fiscal 1962 and full year—

[Millions of dollars]

	Fiscal 1962	Full year
Increase in collections—Continued		
Excise taxes—Continued		
Miscellaneous:		
General telephone.....	375	500
Transportation of persons.....	110	150
Total excises.....	1,399	1,629
Grand total, corporations and excises.....	2,324	3,659
Decrease in refunds (excises).....	178	
Total revenue effect.....	2,502	3,659

Mr. BYRD of Virginia. Mr. President, when we consider the budget situation, it is clear that we cannot afford to lose the revenue involved in these extensions. When the Secretary of the Treasury appeared before our committee, in executive session, he estimated that the deficit in the fiscal year 1962 would be \$3,700 million. This estimate was made on the assumption that the bill we are considering would be enacted, that the postal

rates would be increased in order to eliminate a postal deficit, and that all of the President's revenue requests, including the airway user charge program and the highway program, would be enacted. Failure to enact this bill would mean a deficit of more than \$6 billion if it is assumed that there would be no postal deficit. If the postal rates are not increased the deficit will be further increased by \$741 million, reaching a total of practically \$7 billion.

In January when President Eisenhower presented his budget for fiscal 1962 a surplus of \$1½ billion was predicted. In late March the officials of the new administration estimated a budget deficit of \$2,800 million dollars for fiscal 1962 and that deficit estimate has now been revised up to \$3,700 million. If we do not pass this bill, the budget deficit will be increased to \$6,200 million, as shown by table III.

Mr. President, I ask unanimous consent to have printed in the RECORD table III and table IV, showing the budget estimates for the fiscal years 1961 and 1962, the estimates in the Eisenhower budget of last January, the March estimates, and the latest estimates of the present administration.

I also ask unanimous consent to have printed in the RECORD a detailed table showing how the expenditure estimates for 1962 have increased.

There being no objection, the tables were ordered to be printed in the RECORD, as follows:

TABLE III.—Budget estimates for fiscal 1962
A. Assuming enactment of President's program:

	Billions
Expenditures.....	\$85.1
Receipts.....	81.4
Budget deficit.....	3.7

B. Without passage of this bill (H.R. 7446):

	Billions
Expenditures.....	\$85.1
Receipts.....	78.9
Budget deficit.....	6.2

The President's program includes increase in postal rates to eliminate the postal deficit, failure to enact such legislation would add \$700 million to the estimated deficit for fiscal 1962.

Receipts and expenditures

[Billions of dollars]

	Receipts	Expenditures	Surplus (+) or deficit (—)		Receipts	Expenditures	Surplus (+) or deficit (—)
Fiscal year 1961:				Fiscal year 1962:			
President Eisenhower's January 1961 budget estimates.....	79.0	78.9	+0.1	President Eisenhower's January 1961 budget estimate.....	82.3	80.9	+1.5
President Kennedy's March 1961 estimates.....	78.5	80.7	—2.2	President Kennedy's March 1961 estimate.....	81.4	84.3	—2.9
Latest administration budget estimates.....	78.2	80.7	—2.5	Latest administration budget estimates.....	81.4	85.1	—3.7